

CITY OF LANGLEY

(Formerly The Corporation of the City of Langley)

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

CITY OF LANGLEY

ELECTED OFFICIALS

1987 COUNCIL

Mayor

R.H. Easingwood

Aldermen

**M. Hunter
R.J. Logan
E. Macdonald**

**W. Muir
L.T. Murchison
M. Omelaniec**

1987 Committee Chairmen

**Finance and Personnel
Transportation
Protection
Social & Community Planning
Parks and Recreation
Promotion & Civic Properties Development**

**Alderman W. Muir
Alderman R.J. Logan
Alderman M. Hunter
Alderman L.T. Murchison
Alderman E. Macdonald
Alderman M. Omelaniec**

CITY OF LANGLEY

1987

CITY OFFICIALS

**Administrator
Treasurer
Clerk
Superintendent of Public Works
Chief Building Inspector
Fire Chief
Planner
Parks and Recreation Director**

**D.A. Christensen
C. Gittens, CGA
R.D. Wilson, CMC
M. Pongracz
E. Lachmuth
J.S. McGregor
T. Tanner
M. Paik**

BANKERS

The Canadian Imperial Bank of Commerce

AUDITORS

Thorne Ernst & Whinney

SOLICITORS

Thompson & McConnell

CITY OF LANGLEY

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DECEMBER 31, 1987

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Thorne Ernst & Whinney

Chartered Accountants

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New Westminster, B.C.
Canada V3M 5Y4

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AUDITORS' REPORT

To The Mayor and Aldermen of the
City of Langley

We have examined the balance sheets of the City of Langley (formerly the Corporation of the City of Langley) as at December 31, 1987 and the statements of revenue and expenditure and equity in capital assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the City as at December 31, 1987 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.



February 19, 1988

CITY OF LANGLEY
CAPITAL AND LOAN FUND BALANCE SHEETS
AS AT DECEMBER 31, 1987

ASSETS
GENERAL ACCOUNT

	<u>1987</u>	<u>1986</u>
CASH	\$ 77,492	\$ 71,426
 FIXED ASSETS - Schedule 13 (Page 24)		
Land	8,572,621	8,592,973
Structures	14,823,604	12,577,595
Equipment	<u>2,434,827</u>	<u>2,308,648</u>
	<u>25,831,052</u>	<u>23,479,216</u>
 SINKING FUND	 <u>156,959</u>	 <u>141,044</u>
	 <u><u>\$26,065,503</u></u>	 <u><u>\$23,691,686</u></u>

SEWER SYSTEM

CASH	\$ 39,215	\$ 36,146
 FIXED ASSETS at cost		
Sewer System and lagoon	4,264,500	4,259,081
	 <u><u>\$ 4,303,715</u></u>	 <u><u>\$ 4,295,227</u></u>

WATER SYSTEM

FIXED ASSETS at cost		
Water distribution system	<u><u>\$ 2,978,769</u></u>	<u><u>\$ 2,898,344</u></u>



Treasurer, C. Gittens, CGA

Exhibit "A"

LIABILITIES

	<u>1987</u>	<u>1986</u>
LONG TERM DEBT - Schedule 14 (Page 25)		
Debenture Debt	\$ 3,132,138	\$ 2,656,198
Agreements Payable	600,000	2,023,936
	<u>3,732,138</u>	<u>4,680,134</u>
DUE TO OWN FUNDS		
General Operating	--	53,727
Special Sewer Works Reserve	317,856	--
EQUITY IN CAPITAL ASSETS - Exhibit "B" (Page 3)	22,015,509	18,957,825
	<u>\$26,065,503</u>	<u>\$23,691,686</u>
PAYABLE TO OWN FUNDS		
General Operating	\$ --	\$ 4,386
LONG TERM DEBT - Schedule 14 (Page 25)		
Debenture Debt	1,731,598	1,840,729
EQUITY IN CAPITAL ASSETS - Exhibit "B" (Page 3)	<u>2,572,117</u>	<u>2,450,112</u>
	<u>\$ 4,303,715</u>	<u>\$ 4,295,227</u>
EQUITY IN CAPITAL ASSETS - Exhibit "B" (Page 3)	<u>\$ 2,978,769</u>	<u>\$ 2,898,344</u>



Exhibit "B"

CITY OF LANGLEY
EQUITY IN CAPITAL ASSETS
AS AT DECEMBER 31, 1987
GENERAL ACCOUNT

	<u>1987</u>	<u>1986</u>
BALANCE AT BEGINNING OF YEAR	\$18,957,825	\$16,956,938
Debenture debt retirement including sinking fund instalments	110,347	92,607
Sinking fund actuarial earnings	7,052	6,294
Interest earned on unexpended and other bylaw funds	6,065	8,561
Capital expenditure contributions from:		
General Operating Fund and Accumulated Surplus	504,665	321,374
Reserve Funds - (Note 4 Page 11)	2,017,979	1,348,759
Fire Department	24,578	1,647
Provincial Government	579,718	272,002
Others	47,329	20,434
Insurance proceeds	--	18,587
Asset disposal net of proceeds	(206,244)	(17,652)
Transfer to Capital Works Reserve	(33,805)	(71,726)
	<u>\$22,015,509</u>	<u>\$18,957,825</u>
BALANCE AT END OF YEAR - Exhibit "A" (Page 2)		

SEWER SYSTEM

BALANCE AT BEGINNING OF YEAR	\$ 2,450,112	\$ 2,345,071
Sinking Fund actuarial addition	5,607	4,373
Debenture debt retirement	103,522	97,474
Interest earned on unexpended bylaw funds	3,070	3,194
Capital expenditure contributions from:		
Sewer system operating fund	5,420	--
Prior year adjustment	4,386	--
BALANCE AT END OF YEAR - Exhibit "A" (Page 2)	<u>\$ 2,572,117</u>	<u>\$ 2,450,112</u>

WATER SYSTEM

BALANCE AT BEGINNING OF YEAR	\$ 2,898,344	\$ 2,784,877
Capital expenditure contributions from:		
Water system operating fund	27,499	88,272
Reserve funds	38,424	--
Provincial Government	14,502	25,195
BALANCE AT END OF YEAR - Exhibit "A" (Page 2)	<u>\$ 2,978,769</u>	<u>\$ 2,898,344</u>



Treasurer, C. Gittens, CGA

CITY OF LANGLEY
OPERATING FUND BALANCE SHEETS
AS AT DECEMBER 31, 1987
ASSETS

GENERAL ACCOUNT

	<u>1987</u>	<u>1986</u>
CASH	\$ 1,478,155	\$ 2,848,615
ACCOUNTS RECEIVABLE		
Property taxes	590,068	551,132
Provincial Government	126,200	50,006
Other local governments	3,611	5,000
Trade accounts	19,831	30,995
	<u>739,710</u>	<u>637,133</u>
RECEIVABLE FROM OWN FUNDS - Schedule 15 (Page 26)	<u>202,451</u>	<u>989,376</u>
LOCAL IMPROVEMENT CHARGES RECOVERABLE	<u>86,772</u>	<u>116,774</u>
PROPERTY ACQUIRED FOR TAXES		
Deeded to City	72	72
Subject to redemption	--	43,143
	<u>72</u>	<u>43,215</u>
INVESTMENT IN WHOLLY OWNED SUBSIDIARY (Note 2 Page 10)		
Langley City Development Corporation		
Shares at cost	<u>2</u>	<u>2</u>
INVENTORIES at lower of cost and net realizable value	<u>14,106</u>	<u>19,032</u>
PREPAID EXPENSES	<u>79,602</u>	<u>57,796</u>
	<u>\$ 2,600,870</u>	<u>\$ 4,711,943</u>

SEWER SYSTEM

CASH	\$ 19,578	\$ 8,600
ACCOUNTS RECEIVABLE		
User rates	17,971	19,334
Provincial Government	95,176	102,350
	<u>113,147</u>	<u>121,684</u>
INVENTORIES at lower of cost and net realizable value	<u>6,392</u>	<u>6,007</u>
	<u>\$ 139,117</u>	<u>\$ 136,291</u>

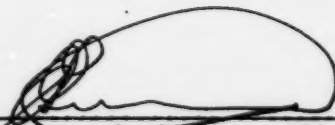
LIABILITIES

	<u>1987</u>	<u>1986</u>
ACCOUNTS PAYABLE		
Prepaid property taxes	\$ 534,115	\$ 478,845
Federal government	365,285	341,186
Provincial government	114,737	102,730
Other local government	155,402	180,627
Trade accounts	<u>479,268</u>	<u>662,982</u>
	<u>1,648,807</u>	<u>1,766,370</u>
PAYABLE TO OWN FUNDS - Schedule 15 (Page 26)	<u>62,527</u>	<u>69,373</u>
DAMAGE DEPOSITS	<u>32,439</u>	<u>15,975</u>
DEFERRED REVENUE	<u>31,102</u>	<u>29,377</u>
RESERVE FOR LANGLEY CITY FIRE DEPARTMENT EXPENDITURE - Schedule 8 (Page 19)	<u>30,523</u>	<u>67,156</u>
RESERVE FOR FUTURE CAPITAL EXPENDITURES	<u>10,426</u>	<u>1,393,663</u>
OPERATING SURPLUS		
Balance at beginning of year	1,370,029	1,350,352
Operating surplus for the year		
Exhibit "E" (Page 7)	14,248	149,009
Less transfer to Current Revenue	<u>599,231</u>	<u>129,332</u>
Balance at end of year	<u>785,046</u>	<u>1,370,029</u>
	<u>\$ 2,600,870</u>	<u>\$ 4,711,943</u>
RESERVE		
Insurance Claims	<u>\$ 19,578</u>	<u>\$ 8,600</u>
PAYABLE TO OWN FUNDS		
General Operating	<u>10,938</u>	<u>20,904</u>
OPERATING SURPLUS		
Balance at beginning of year	106,787	141,997
Previous year's surplus appropriated for current year	--	35,210
Operating surplus for the year - Exhibit "F" (Pg 8)	<u>1,814</u>	<u>--</u>
	<u>108,601</u>	<u>106,787</u>
	<u>\$ 139,117</u>	<u>\$ 136,291</u>
CONTINGENT LIABILITY (NOTE 3)		

CITY OF LANGLEY
OPERATING FUND BALANCE SHEETS
AS AT DECEMBER 31, 1987

ASSETS
WATER SYSTEM

	<u>1987</u>	<u>1986</u>
CASH	\$ 8,328	\$ 5,600
ACCOUNTS RECEIVABLE		
User rates	56,276	57,831
Provincial Government	<u>14,502</u>	<u>--</u>
	<u>70,778</u>	<u>57,831</u>
RECEIVABLE FROM OWN FUND		
General operating	<u>62,527</u>	<u>69,373</u>
INVENTORIES at lower of cost and net realizable value	<u>71,504</u>	<u>66,083</u>
	<u>\$ 213,137</u>	<u>\$ 198,887</u>



Treasurer, C. Giffens, CGA

Exhibit "C" continued

LIABILITIES

	<u>1987</u>	<u>1986</u>
ACCOUNTS PAYABLE		
Prepaid user rates	\$ <u>160</u>	\$ <u>174</u>
RESERVES		
Future Capital Expenditure	8,288	8,288
Insurance Claims	<u>8,328</u>	<u>5,600</u>
	16,616	13,888
OPERATING SURPLUS		
Balance at beginning of year	184,825	150,398
Operating surplus for the year - Exhibit "G" (Pg 9)	<u>11,536</u>	<u>34,427</u>
Balance at end of year	<u>196,361</u>	<u>184,825</u>
	<u>\$ 213,137</u>	<u>\$ 198,887</u>

CITY OF LANGLEY
TRUST AND RESERVE FUNDS BALANCE SHEET
AS AT DECEMBER 31, 1987

ASSETS

	<u>1987</u>	<u>1986</u>
CAPITAL WORKS RESERVE		
Cash and Investments	\$ 252,026	\$ 115,645
Land held for sale (at cost)	531,265	531,265
Agreements receivable	187,560	65,250
Development Costs Recoverable (Note 5)	955,152	292,892

<u>\$ 1,926,003</u>	<u>\$ 1,005,052</u>
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DEVELOPMENT COST CHARGE RESERVE

 Cash and investments

<u>\$ 1,790,822</u>	<u>\$ 1,324,738</u>
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OTHER RESERVES

 Cash and investments

 Municipal Finance Authority

 Due from Capital and Loans Fund

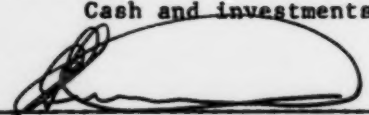
\$ 2,512,730	\$ 2,467,878
316,616	308,291
317,856	--

<u>\$ 3,147,202</u>	<u>\$ 2,776,169</u>
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TRUST FUNDS

 Cash and investments

<u>\$ 186,880</u>	<u>\$ 157,963</u>
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Treasurer, C. Gittens, CGA

Exhibit "D"

LIABILITIES

	<u>1987</u>	<u>1986</u>
CAPITAL WORKS RESERVE		
Payable to general operating fund	\$ 666	\$ 666
Deferred revenue (Note 5)	<u>1,459,565</u>	<u>603,765</u>
	<u>1,460,231</u>	<u>604,431</u>
Capital Works Reserve:		
Balance at beginning of year	400,621	362,668
Add: Land Sale Proceeds	31,736	283,641
Investment income	31,275	33,317
Other	<u>129,858</u>	<u>658,422</u>
	593,490	1,338,048
Less Transfers:		
To fund capital projects	127,718	387,427
To Reserve for Future Capital Expenditure	<u>--</u>	<u>550,000</u>
	<u>465,772</u>	<u>400,621</u>
	<u>\$ 1,926,003</u>	<u>\$ 1,005,052</u>
DEVELOPMENT COST CHARGE RESERVE		
Prepaid Development Cost Charges	127,053	--
Reserve balance - Schedule 12 (Page 23)	<u>\$ 1,663,769</u>	<u>\$ 1,324,738</u>
	<u>\$ 1,790,822</u>	<u>\$ 1,324,738</u>
OTHER RESERVES		
Payable to General Operating Fund	\$ 190,847	\$ 909,693
Reserve balance - Schedule 11 (page 22)	<u>2,956,355</u>	<u>1,866,476</u>
	<u>\$ 3,147,202</u>	<u>\$ 2,776,169</u>
TRUST FUNDS		
Trust Balances:		
Road Bonds	\$ 51,700	\$ 31,800
Arts Centre	2,182	2,011
Building Bonds	9,360	9,360
Special Bonds	123,349	114,525
Uriah Ward	<u>289</u>	<u>267</u>
	<u>\$ 186,880</u>	<u>\$ 157,963</u>

REVENUE

<u>\$13,152,652</u>	<u>\$11,497,230</u>
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Treasurer, C. Gittens, CGA

Exhibit "E"

EXPENDITURE

	<u>1987</u>	<u>1986</u>
GENERAL GOVERNMENT SERVICES - Sch.4 (Pg. 15)	\$ 841,960	\$ 863,893
PROTECTIVE SERVICES - Schedule 5 (Page 16)	<u>2,044,219</u>	<u>1,887,762</u>
TRANSFER TO LANGLEY CITY FIRE DEPARTMENT - Schedule 8	<u>442,578</u>	<u>387,776</u>
TRANSPORTATION SERVICES - Sch. 6 (Pg. 17)	<u>1,123,863</u>	<u>941,235</u>
SANITARY LANDFILL OPERATIONS	<u>16,119</u>	<u>17,261</u>
PUBLIC HEALTH AND WELFARE SERVICES	<u>1,304</u>	<u>1,230</u>
PLANNING AND ENVIRONMENTAL DEVELOPMENT SERVICES	<u>148,123</u>	<u>168,500</u>
RECREATION AND CULTURAL SERVICES		
Parks expenditure - Schedule 7 (Page 18)	392,091	391,401
Net recreation expenditures - Schedule 10 (Page 21)	<u>327,807</u>	<u>266,699</u>
	<u>719,898</u>	<u>658,100</u>
FISCAL SERVICES & TRANSFERS TO OWN FUNDS		
Debt Charges:		
Interest on temporary borrowings	39,008	38,435
Debenture interest	288,589	260,933
Principal payment	<u>110,347</u>	<u>92,607</u>
	<u>437,944</u>	<u>391,975</u>
Transfers to reserve funds - Schedule 3 (Page 14)	1,341,062	571,475
Capital expenditures	504,664	339,961
Less insurance proceeds	--	18,587
	<u>504,664</u>	<u>321,374</u>
Local Improvement Transfer	<u>30,002</u>	<u>31,012</u>
	<u>1,875,728</u>	<u>923,861</u>
TRANSMISSION OF TAXES LEVIED		
Provincial Government	2,350,566	2,350,591
School District #35	2,370,930	2,124,746
Central Fraser Valley Regional Hospital District	298,015	244,151
Central Fraser Valley Regional District	54,595	33,040
Fraser Valley Regional Library	196,421	185,006
Greater Vancouver Regional District - Parks	47,502	42,376
Municipal Finance Authority	1,327	1,613
British Columbia Assessment Authority	153,258	117,945
B.C. Transit	<u>14,054</u>	<u>7,160</u>
	<u>5,486,668</u>	<u>5,106,628</u>
TOTAL EXPENDITURES	<u>13,138,404</u>	<u>11,348,221</u>
OPERATING SURPLUS FOR THE YEAR - Exhibit "C"	<u>14,248</u>	<u>149,009</u>
	<u>\$13,152,652</u>	<u>\$11,497,230</u>

CITY OF LANGLEY
SEWER SYSTEM OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
REVENUE		
Sewer user charges and connection fees	\$ 420,904	\$ 382,868
Appropriation of previous year's surplus	--	35,210
Parcel tax levy	184,853	181,196
Sewer Facilities Assistance Grant	<u>217,389</u>	<u>240,536</u>
	<u>823,146</u>	<u>839,810</u>
EXPENDITURE		
Administrative:		
Salaries	48,856	48,419
Billing and collecting	21,100	19,960
Audit	2,475	2,400
Operating:		
Service connections	2,665	9,613
Equipment maintenance	710	951
System Maintenance	66,232	82,594
Power	1,527	1,886
Sundry	11,492	9,545
Greater Vancouver Sewerage and Drainage		
District levy	327,043	342,725
Fiscal Services - debenture debt charges:		
Principal	103,522	97,474
Interest	<u>218,190</u>	<u>224,243</u>
	<u>803,812</u>	<u>839,810</u>
Capital Expenditure - system construction		
	5,420	--
Transfer to Capital Works Reserve	<u>12,100</u>	--
	<u>17,520</u>	--
	<u>821,332</u>	<u>839,810</u>
 OPERATING SURPLUS FOR THE YEAR -		
EXHIBIT "C" (Page 4)	<u>\$ 1,814</u>	<u>\$ --</u>


Treasurer, C. Gittens, CGA

Exhibit "C"

CITY OF LANGLEY
WATER DISTRIBUTION SYSTEM OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
REVENUE		
Water user charges and connection fees	\$ 480,387	\$ 435,729
Less discounts	<u>15,905</u>	<u>13,540</u>
	464,482	422,189
Parcel Tax levy	126,055	123,653
Government Grant	14,502	25,195
Transfers from reserve funds	<u>38,424</u>	<u>67,192</u>
	<u>643,463</u>	<u>638,229</u>
EXPENDITURE		
Administrative:		
Audit	\$ 2,475	\$ 2,400
Salaries	49,718	48,100
Billing and collection	28,045	26,894
Operating:		
Connections	28,889	16,331
Maintenance	106,045	85,717
Meter Reading	24,912	23,397
Power and pumping	2,598	2,254
Sundry	2,842	6,613
Tools	970	1,406
Water Purchases	<u>305,008</u>	<u>277,223</u>
	<u>551,502</u>	<u>490,335</u>
Capital expenditure - systems construction	<u>80,425</u>	<u>113,467</u>
	<u>631,927</u>	<u>603,802</u>
 OPERATING SURPLUS FOR THE YEAR - EXHIBIT "C" (Page 5)	 <u>\$ 11,536</u>	 <u>\$ 34,427</u>


Treasurer, C. Gittens, CGA

CITY OF LANGLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Fund Accounting

The resources and operations of the City have been segregated for accounting and financial reporting purposes into three funds. Each fund is treated as a separate centre of operations responsible for the resources or activities allocated to it.

Capital and Loan Fund

The purpose of the capital and loan fund is to reflect capital assets and the related financing and equity therein.

Operating Fund

The purpose of the operating fund is to reflect the operating activities, administration and debt servicing functions of the City.

Trust and Reserve Fund

The purpose of this fund is to hold assets of a trust nature and funds provided to finance future capital expenditures.

The capital and loan fund and operating fund have been further segregated into the functions of sewer, water and general operations.

(b) Fixed Assets

Fixed assets are recorded at cost. No provision has been made for the depreciation of fixed assets in the accounts, except for the annual transfer to the Machinery Replacement Reserve. The annual transfer to the Machinery Replacement Reserve is equal to the difference between public works and parks equipment charge-out rates expended to operations, and the actual cost to operate the equipment.

(c) Interest Accruals

Interest is accrued only on investments. Interest expense is recorded on the cash basis, accordingly accrued interest payable on debenture debt, agreements payable and temporary borrowing is not recorded.

2. INVESTMENT IN WHOLLY-OWNED SUBSIDIARY

The City owns all the outstanding and issued shares of the Langley City Development Corporation. Accumulated earnings of the Langley City Development Corporation at December 31, 1987 amounts to \$17,452 and has not been reflected in the financial statements of the City.

3. CONTINGENT LIABILITIES

The loan agreements with the Central Fraser Valley Regional District and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect to such borrowings, the resulting deficiency becomes a joint and several liability of the City and all other participants in the Authority.

4. CAPITAL EXPENDITURE CONTRIBUTIONS FROM RESERVE FUNDS

In 1987 City reserve funds contributed \$2,017,979 to fund capital projects and acquisitions. In 1986, City reserve funds contributed \$1,348,759 to fund capital projects and acquisitions. The source of these transfers is shown below:

	<u>1987</u>	<u>1986</u>
Capital Works Reserve	\$ 127,719	\$ 187,427
Development Cost Charges	244,906	444,655
Parks & Recreation Reserve	110,289	74,455
Reserve for Future Capital Expenditure	1,364,868	143,616
Land Use Contract Reserve	--	50,980
Off-Street Parking Reserve	47,000	291,315
Machinery Replacement Reserve	71,805	67,596
Equipment Replacement Reserve - Fire Dept.	13,232	79,290
Office Equipment Replacement Reserve	38,160	9,425
	<u>\$2,017,979</u>	<u>\$1,348,759</u>

5. BRYDON PARK DEVELOPMENT

The City is currently developing Brydon Park subdivision on City owned land. The City has adopted the policy of recognizing revenue on the sale of the lots when 100% of lots are sold. Currently 36% of lots at Brydon Park subdivision have been sold.

	<u>1987</u>	<u>1986</u>
Development costs recoverable	\$955,152	\$292,892
Deferred revenue	928,300	72,500

6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Schedule 1

CITY OF LANGLEYSALES OF SERVICES AND OTHER REVENUE FROM OWN SOURCESYEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
SALE OF SERVICES		
Culvert, driveway crossings and storm sewer connections	\$ 8,085	\$ 4,766
Engineering inspection and administration fees	64,874	23,389
Information letter fees	625	3,070
Public works credits	<u>29,100</u>	<u>27,720</u>
TOTAL SALE OF SERVICES-EXHIBIT "E" (Pg. 7)	<u>\$ 102,684</u>	<u>\$ 58,945</u>
OTHER REVENUE FROM OWN SOURCES		
Licence and permits:		
Application fees	\$ 26,660	\$ 7,973
Building and plumbing permits	88,965	30,406
Business licences	88,630	85,265
Dog licences	9,414	6,127
Municipal Vehicle licences	4,497	6,174
Other licences and permits	<u>1,022</u>	<u>804</u>
	<u>219,188</u>	<u>136,749</u>
Equipment rentals internal	182,922	113,944
Transfer from General Surplus	599,233	129,332
Fines	24,263	11,503
Rentals	11,140	11,333
Return on investments	186,605	190,572
Return on investment - other reserves -		
Schedule 11	145,766	99,980
Penalties and interest	115,881	162,720
Parking rental	18,411	10,616
Miscellaneous	<u>108,984</u>	<u>41,348</u>
	<u>1,393,205</u>	<u>771,348</u>
TOTAL REVENUE FROM OWN SOURCES - EXHIBIT "E" (Page 7)	<u>\$ 1,612,393</u>	<u>\$ 908,097</u>

CITY OF LANGLEY
TRANSFERS FROM OTHER GOVERNMENTS
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial Government		
Secondary Highway maintenance	\$ 11,422	\$ 8,052
Street lighting assistance	866	738
Other	<u>3,285</u>	<u>9,095</u>
	<u>15,573</u>	<u>17,885</u>
Other Local Governments		
Township of Langley		
Youth Services project	84,286	84,161
Float operations	7,500	7,500
Search and Rescue levy	<u>6,083</u>	<u>--</u>
	<u>97,869</u>	<u>91,661</u>
TOTAL CONDITIONAL TRANSFER FROM OTHER GOVERNMENTS	<u>\$ 113,442</u>	<u>\$ 109,546</u>
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Revenue Sharing	<u>676,807</u>	<u>636,609</u>
TOTAL TRANSFERS FROM OTHER GOVERNMENTS - EXHIBIT "E" (Page 7)	<u>\$ 790,249</u>	<u>\$ 746,155</u>

CITY OF LANGLEY
TRUST AND RESERVE FUND TRANSFERS
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
TRANSFERS FROM TRUST AND RESERVE FUNDS		
Reserve for Future Capital Expenditure	\$ 45,223	\$ --
Landfill Rehabilitation Reserve	<u>--</u>	<u>1,841</u>
 TOTAL TRANSFERS FROM TRUST AND RESERVE FUNDS - EXHIBIT "E" (Page 7)	 <u>\$ 45,223</u>	 <u>\$ 1,841</u>
 TRANSFERS TO RESERVE FUNDS		
Offstreet Parking Reserve	\$ 18,411	\$ 10,616
Future Capital Expenditure Reserve	--	118,371
Machinery Replacement Reserve	182,922	113,944
Parks and Recreation Reserve	108,911	104,164
Office Equipment Replacement Reserve	30,000	30,000
Future Policing Cost Reserve	784,606	94,400
Capital Works Reserve	70,446	--
Investment Income other reserves - Schedule 11 (Page 22)	<u>145,766</u>	<u>99,980</u>
 TOTAL TRANSFERS TO TRUST AND RESERVE FUNDS - EXHIBIT "E" (Page 7)	 <u>\$ 1,341,062</u>	 <u>\$ 571,475</u>

CITY OF LANGLEY
GENERAL GOVERNMENT SERVICES
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
LEGISLATIVE		
Mayor	\$ 18,224	\$ 17,714
Council	45,700	44,286
Mayor and Council expenses	<u>9,172</u>	<u>7,737</u>
	<u>73,096</u>	<u>69,737</u>
ADMINISTRATIVE		
Advertising	1,211	492
Audit Fees	14,550	11,450
Data processing	20,000	11,890
Legal Fees	17,396	14,488
Miscellaneous	10,128	9,282
Municipal Hall - maintenance	33,163	23,411
- grounds	8,627	7,917
- utilities and taxes	13,895	12,421
Office equipment and maintenance	4,157	4,979
Office supplies and stationery	25,660	38,400
Postage	5,976	7,276
Salaries	409,817	380,214
Tax billing	4,576	5,193
Telephone	<u>23,104</u>	<u>20,794</u>
	<u>592,260</u>	<u>548,207</u>
OTHER		
City float operation	7,500	14,464
City owned property and buildings	7,462	31,411
Conventions and delegations	10,868	11,431
Council contingency	27,304	3,859
Grants to organizations and individuals	47,734	44,068
Business community requests	--	6,000
Election expense	--	9,727
General insurance	75,285	85,181
Membership fees	6,009	4,836
Parking lease	--	36,000
Over absorbed overhead	<u>(5,558)</u>	<u>(1,028)</u>
	<u>176,604</u>	<u>245,949</u>
GENERAL GOVERNMENT SERVICES -		
EXHIBIT "E" (Page 7)	<u>\$ 841,960</u>	<u>\$ 863,893</u>

Schedule 5

CITY OF LANGLEY
PROTECTIVE SERVICES
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
LAW ENFORCEMENT		
Bylaw Enforcement	\$ 60,096	\$ 52,741
Policing	<u>1,760,853</u>	<u>1,610,023</u>
	<u>1,820,949</u>	<u>1,662,764</u>
OTHER		
Animal and pest control	25,010	24,777
Building inspections and business licences	58,924	72,546
Bicycle registration	5,303	4,469
Youth Services	127,950	123,206
Search and Rescue	<u>6,083</u>	<u>--</u>
	<u>223,270</u>	<u>224,998</u>
PROTECTIVE SERVICES - EXHIBIT "E" (Page 7)	<u><u>\$ 2,044,219</u></u>	<u><u>\$ 1,887,762</u></u>

Schedule 6

CITY OF LANGLEYTRANSPORTATION SERVICESYEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
COMMON SERVICES		
Administration	\$ 79,317	\$ 74,894
Engineering Services	76,739	53,139
Miscellaneous tools and supplies	14,080	15,319
Shed and yard expenses	<u>66,127</u>	<u>58,844</u>
	<u>236,263</u>	<u>202,196</u>
ROADS TRANSPORTATION		
Boulevards - maintenance	42,275	25,134
Bridge maintenance	--	5,212
Culverts and driveway crossings	429	949
Ditching and drainage	126,902	92,023
Over absorbed overhead	(13,894)	(2,643)
Grading and gravelling	32,882	39,700
Miscellaneous	29,754	33,731
Oiling	9,843	8,781
Parking lot - maintenance	7,533	5,269
Patching and repairing	90,994	55,497
Secondary highway maintenance	28,555	21,018
Sidewalk - maintenance	16,783	22,585
Snow removal	46,314	30,459
Storm sewers	54,954	59,711
Street cleaning	107,799	95,060
Street garbage containers	1,368	1,211
Street lighting	157,463	136,170
Surveying	46,094	16,893
Traffic services	<u>101,552</u>	<u>92,279</u>
	<u>887,600</u>	<u>739,039</u>
TRANSPORTATION SERVICES -		
EXHIBIT "E" (Page 7)	<u>\$ 1,123,863</u>	<u>\$ 941,235</u>

Schedule 7

CITY OF LANGLEY
PARKS EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
MAINTENANCE AND OPERATING		
Buckley Park	\$ 5,436	\$ 6,251
Brydon Park	2,270	2,865
Douglas Park	16,573	12,257
Hunter Park	1,550	530
Langley City Park	82,798	87,458
Legion Memorial Gardens	1,343	771
Nash Tot Lot	126	92
Nature Trail	3,347	4,097
Nicomekl and Michaud Parks	3,824	2,620
Portage Park	10,855	6,574
Sendall Gardens	57,601	48,567
Sundry	3,072	4,991
	<u>188,795</u>	<u>177,073</u>
 OTHER		
Administration	77,398	77,605
Boulevard maintenance	43,551	41,809
Over absorbed overhead	(8,337)	(1,470)
Equipment maintenance	17,143	11,658
General maintenance	29,809	26,634
Miscellaneous	2,936	15,783
Planting	11,244	10,598
Vandalism	14,552	16,711
Floodplain Development	15,000	15,000
	<u>203,296</u>	<u>214,328</u>
 PARKS EXPENDITURE -		
EXHIBIT "E" (Page 7)	<u>\$ 392,091</u>	<u>\$ 391,401</u>

CITY OF LANGLEY
LANGLEY CITY FIRE DEPARTMENT
OPERATING STATEMENT
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
REVENUE		
Tax levy	\$ 436,809	\$ 382,726
Grant in lieu of taxes	<u>5,769</u>	<u>5,050</u>
TOTAL REVENUE - EXHIBIT "E" (Page 7)	<u>442,578</u>	<u>387,776</u>
 EXPENDITURE		
Operating Expenditures:		
Caretaker	3,329	3,600
Conventions and annual meeting	6,557	5,779
Firefighter remuneration - paid on call	77,617	67,008
General expense	3,909	1,291
Insurance	7,250	6,740
Repairs and maintenance:		
Equipment and radios	51,488	44,396
Buildings	10,202	6,129
Salaries and administration	232,031	180,272
Telephone and light	9,180	9,931
Transfer to Equipment Replacement Reserve	43,000	40,000
Water - hydrant use	10,000	10,000
Workers' Compensation Board	69	1,341
 Capital Expenditures:		
Equipment	<u>24,579</u>	<u>1,646</u>
	<u>479,211</u>	<u>378,133</u>
 INCREASE (DECREASE) IN DEPARTMENTAL RESERVE	(36,633)	9,643
 LANGLEY CITY FIRE DEPARTMENT RESERVE AT BEGINNING OF YEAR	<u>67,156</u>	<u>57,513</u>
 LANGLEY CITY FIRE DEPARTMENT RESERVE AT END OF YEAR - EXHIBIT "C" (Page 4)	<u>\$ 30,523</u>	<u>\$ 67,156</u>

Schedule 9

CITY OF LANGLEY
DOUGLAS HALL
OPERATING STATEMENT
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
REVENUE		
Rentals	\$ 13,173	\$ 13,521
EXPENDITURES		
Miscellaneous	803	829
Repairs and maintenance	6,898	4,456
Utilities	6,172	5,658
Wages	3,301	3,459
	<u>17,174</u>	<u>14,402</u>
EXCESS OF EXPENDITURE OVER REVENUE		
- Schedule 10 (Page 21)	<u>\$ 4,001</u>	<u>\$ 881</u>

AL ANDERSON POOL
OPERATING STATEMENT
YEAR ENDED DECEMBER 31, 1987

REVENUE		
Concession fees	\$ 9,016	\$ 10,620
Entrance fees	7,997	10,689
Swim lessons	23,098	25,899
	<u>40,111</u>	<u>47,208</u>
EXPENDITURES		
Attendants	53,735	56,902
Supplies	12,455	14,569
Supervisors	10,379	9,792
Supplies, Utilities and Maintenance	24,260	23,749
	<u>100,829</u>	<u>105,012</u>
EXCESS OF EXPENDITURE OVER REVENUE		
- Schedule 10 (Page 21)	<u>\$ 60,718</u>	<u>\$ 57,804</u>

CITY OF LANGLEY
RECREATION OPERATING STATEMENT
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
REVENUE		
Program fees	\$ 15,228	\$ 19,528
EXPENDITURES		
Recreation Administration:		
Advertising	4,147	3,734
Salaries and benefits	28,107	28,650
Supplies	425	296
Transportation	2,242	2,560
	<u>34,921</u>	<u>35,240</u>
Recreation Other:		
Douglas Hall rental	6,500	6,700
Joint recreation grants	4,567	2,008
Program costs	12,710	16,698
Vandalism	4,077	3,685
	<u>27,854</u>	<u>29,091</u>
Recreation Facilities:		
Al Anderson Pool - Schedule 9 (Page 20)	60,718	57,804
W.C. Blair Pool - City share	68,827	18,000
Douglas Hall - Schedule 9 (Page 20)	4,001	881
Langley Civic Centre/Arena - City share	109,977	106,000
Langley Centennial Library building	36,737	39,211
	<u>280,260</u>	<u>221,896</u>
NET RECREATION EXPENDITURE -		
EXHIBIT "E" (Page 7)	<u>\$ 327,807</u>	<u>\$ 266,699</u>

CITY OF LANGLEY
OTHER RESERVE FUNDS
AS AT DECEMBER 31, 1987

	Balance December 31 1986	Appropri- ations	Interest	Transfers During Year	Balance December 31 1987
<u>BYLAW RESERVE FUNDS</u>					
Equipment Replacement Fire Dept.	\$ 107,444	\$ 52,000	\$ 9,202	\$ 13,232	\$ 155,414
Machinery Replacement	72,902	182,922	5,139	71,805	189,158
Municipal Finance Authority	308,291	--	8,325	--	316,616
Off-Street Parking	30,469	18,411	2,155	47,000	4,035
Parks and Recreation	16,289	108,911	1,355	110,289	16,266
Sanitary Landfill	127,270	--	10,808	--	138,078
	<u>\$ 662,665</u>	<u>\$ 362,244</u>	<u>\$ 36,984</u>	<u>\$242,326</u>	<u>\$ 819,567</u>
<u>OTHER RESERVE FUNDS</u>					
Land Use Contract Reserve					
Water meters	11,135	15,180	--	5,680	20,635
Sidewalks & Interest	71,384	--	7,086	--	78,470
	<u>82,519</u>	<u>15,180</u>	<u>7,086</u>	<u>5,680</u>	<u>99,105</u>
Future Policing cost	585,903	812,107	56,229	--	1,454,239
Office Equipment Replacement	21,305	30,000	1,810	38,160	14,955
Special sewer works	459,053	--	38,984	--	498,037
Staff reserve	24,849	--	2,110	--	26,959
Transit levy	30,182	10,748	2,563	--	43,493
	<u>\$1,203,811</u>	<u>\$ 868,035</u>	<u>\$108,782</u>	<u>\$ 43,840</u>	<u>\$2,136,788</u>
TOTAL - EXHIBIT "D" (Page 6)	<u>\$1,866,476</u>	<u>\$1,230,279</u>	<u>\$145,766</u>	<u>\$286,166</u>	<u>\$2,956,355</u>

CITY OF LANGLEY
DEVELOPMENT COST CHARGE RESERVE
AS AT DECEMBER 31, 1987

	<u>Balance December 31 1986</u>	<u>Contributions</u>	<u>Interest</u>	<u>Transferred During Year</u>	<u>Balance December 31 1987</u>
Sewage	\$ 16,874	\$ 1,506	\$ 1,374	\$ --	\$ 19,754
Water	40,036	14,629	3,852	42,572	15,945
Drainage	225,702	37,511	20,289	109,477	174,025
Roads	516,607	343,748	52,891	140,613	772,633
Public Open Space	<u>525,519</u>	<u>107,743</u>	<u>48,150</u>	<u>--</u>	<u>681,412</u>
 TOTAL					
EXHIBIT "D" (Page 6)	<u>\$1,324,738</u>	<u>\$505,137</u>	<u>\$126,556</u>	<u>\$292,662</u>	<u>\$1,663,769</u>

CITY OF LANGLEY
GENERAL FIXED ASSETS
AS AT DECEMBER 31, 1986

	<u>Land at Cost</u>	<u>Structures at Cost</u>	<u>Equipment at Cost</u>	<u>Total 1987</u>	<u>Total 1986</u>
General Government	\$3,382,162	\$ 245,663	\$ 465,298	\$ 4,093,123	\$ 4,045,545
Police and Bylaw Enforcement	--	--	34,695	34,695	26,643
Fire Department	131,297	390,178	603,888	1,125,363	1,102,146
Transportation Services	2,798,166	869,883	902,193	4,570,242	4,130,091
Engineered Structure	--	10,729,057	--	10,729,057	9,161,298
Sanitation	1,100	--	--	1,100	1,100
Recreation services	742,111	1,847,809	377,470	2,967,390	2,709,574
Community Services	<u>1,517,785</u>	<u>741,014</u>	<u>51,283</u>	<u>2,310,082</u>	<u>2,302,819</u>
TOTAL					
EXHIBIT "A" (Page 2)	<u>\$8,572,621</u>	<u>\$14,823,604</u>	<u>\$2,434,827</u>	<u>\$25,831,052</u>	<u>\$23,479,216</u>

CITY OF LANGLEYDEBENTURE DEBT AND AGREEMENTS PAYABLEAS AT DECEMBER 31, 1987

<u>By-Law Number</u>	<u>Purpose</u>	<u>Original Debt</u>	<u>Principal Outstanding</u>	<u>Years' Duration</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
GENERAL CAPITAL						
DEBENTURE DEBT						
539	Civic Centre	\$ 293,000	\$ 293,000	20	16-04-94	9.000
768	Storm Drainage	2,000,000	1,665,842	20	6-12-99	12.250
1268	Downtown Revitalization	298,750	239,000	12	1-03-94	13.500
1478	W.C. Blair Pool	368,000	356,871	20	23-01-06	10.125
1491	Glover Road Realignment	397,425	397,425	5	02-07-92	Prime- $\frac{1}{2}$ %
1573	Workyard Purchase	180,000	<u>180,000</u>	5	15-12-92	Prime- $\frac{1}{2}$ %
TOTAL DEBENTURE DEBT - EXHIBIT "A" (Page 2)			<u><u>\$3,132,138</u></u>			
AGREEMENTS PAYABLE - EXHIBIT "A" (Page 2)						
1385	Downtown Revitalization	\$ 600,000	<u>\$ 600,000</u>		6-03-89	12.000

SEWER CAPITAL						
DEBENTURE DEBT						
526	Sewers	\$ 840,802	\$ 314,399	20	1-07-92	6.337
565	Sewers	16,403	6,679	20	1-11-92	7.875
611	Sewers	116,966	54,831	20	1-11-93	7.750
857	Sewers	29,690	25,247	25	1-04-02	10.500
857	Sewers	125,864	107,544	25	1-04-02	10.750
906	Sewers	408,014	346,139	25	1-08-02	10.375
733	Sewers	286,986	239,036	20	6-12-99	12.250
945	Sewers	42,900	37,135	25	1-08-03	10.000
977	Sewers	220,000	174,744	20	4-29-01	14.000
1058	Sewers	451,000	358,226	20	4-29-01	14.000
1252	Sewers	70,000	67,618	25	6-15-08	12.375
TOTAL DEBENTURE DEBT - EXHIBIT "A" (Page 2)			<u><u>\$1,731,598</u></u>			

CITY OF LANGLEY
GENERAL OPERATING INTER-FUND BALANCES
DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
<u>RECEIVABLE FROM OWN FUNDS</u>		
General Capital and Loan Fund	\$ --	\$ 53,727
Sewer Capital and Loan Fund	--	4,386
Sewer Operating Fund	10,938	20,904
Capital Works Reserve	666	666
Other Reserve Funds	<u>190,847</u>	<u>909,693</u>
PER EXHIBIT "C" (Page 4)	<u>\$ 202,451</u>	<u>\$ 989,376</u>
 <u>PAYABLE TO OWN FUNDS</u>		
Water Operating Fund	\$ <u>62,527</u>	\$ <u>69,373</u>
PER EXHIBIT "C" (Page 4)	<u>\$ 62,527</u>	<u>\$ 69,373</u>

CITY OF LANGLEY

COMPARISON OF STATISTICS FOR 1987, 1986 and 1977

	<u>This Year 1987</u>	<u>Last Year 1986</u>	<u>10 Years Ago 1977</u>
GENERAL ASSESSMENTS			
Land	\$272,354,470	\$251,387,006	\$ 44,454,495
Improvements	326,340,513	305,626,741	87,218,272
Exempt	55,137,754	57,164,931	12,461,700
	<u>\$543,557,229</u>	<u>\$499,848,816</u>	<u>\$144,134,467</u>
Per Capita	<u>\$ 31,898</u>	<u>\$ 30,412</u>	<u>\$ 11,766</u>

TAX RATES PER \$1,000

1987

	<u>General</u>	<u>School</u>	<u>Hospital/Other</u>	<u>Total</u>
Residential	8.258	6.44704	.4760	15.18104
Utility	13.7405	15.9630	.7758	30.4793
Forestry	13.7405	25.54	.7758	40.0563
Industrial	12.385	12.77	.7139	25.8689
Business	12.385	12.77	.7139	25.8689
Tree Farm	13.7405	31.925	.7758	46.4413
Recreation Non-Profit	11.252	6.385	.7139	18.3509
Farm	5.157	6.385	.2950	11.837

1986

Residential	7.0781	6.2207	.4600	13.7588
Utility	11.0418	18.5680	1.6098	31.2196
Forestry	11.0418	21.2200	1.8398	34.1016
Industrial	10.6172	12.9970	1.2879	24.9021
Business	10.6172	12.9970	1.5638	25.1780
Tree Farm	11.0418	42.4400	3.6796	57.1614
Recreation Non-Profit	8.9892	5.3050	.4600	14.7542
Farm	4.1760	5.3050	.4600	9.941

CITY OF LANGLEY

COMPARISON OF STATISTICS FOR 1987, 1986 and 1977

	<u>This Year 1987</u>	<u>Last Year 1986</u>	<u>10 Years Ago 1977</u>
CURRENT TAX LEVY	\$ 4,851,185	\$ 4,434,543	\$ 1,871,392
Per Capita	284	270	153
BUILDING PERMIT VALUES			
Single family permits	3,534,850 (62)	1,585,100 (24)	6,766,500 (249)
Multiple family permits	8,472,500 (15)	2,219,000 (11)	3,696,000 (44)
Industrial permits	535,000 (18)	511,500 (19)	1,230,000 (11)
Commercial permits	631,200 (24)	1,474,840 (27)	3,337,500 (15)
POPULATION	17,040	16,436	12,250
DEBT			
Per Schedule 14:			
General Capital	\$ 3,732,138	\$ 4,680,134	\$ 610,690
Sewer Capital	1,731,596	1,840,729	2,821,391
Water Capital	--	--	--
	<u>\$ 5,463,734</u>	<u>\$ 6,520,863</u>	<u>\$ 3,432,081</u>
Per capita	<u>\$ 321</u>	<u>\$ 396</u>	<u>\$ 280</u>
UNUSED BORROWING POWER	<u>\$ 13,969,439</u>	<u>\$ 13,611,605</u>	<u>\$21,379,435</u>
SERVICES			
Kilometers of - paved road	74.1	72.1	58.10
- gravel road	-	-	.9
- storm sewer	39.6	36.9	16.70
- water main	77.5	75.5	40.90
- sewer main	81.0	80.0	43.50
Number of - hydrants	383	376	271
- water users	4983	4738	3221
- street lights	1022	949	614

LANGLEY CITY DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

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Thorne Ernst & Whinney

Chartered Accountants

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New Westminster, B.C.
Canada V3M 5Y4

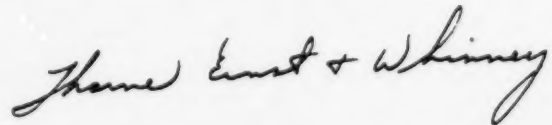
Tel: (604) 526-2411
Fax: (604) 520-6285

AUDITORS' REPORT

To the Shareholder of
Langley City Development Corporation

We have examined the balance sheet of Langley City Development Corporation as at December 31, 1987 and the statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



New Westminster, Canada
February 19, 1988

Chartered Accountants

LANGLEY CITY DEVELOPMENT CORPORATION

BALANCE SHEET

AS AT DECEMBER 31, 1987

ASSETS

	<u>1987</u>	<u>1986</u>
CASH	\$ --	\$ 7
LAND HELD FOR SALE		
Lot 300	<u>20,225</u>	<u>20,225</u>
	<u>\$20,225</u>	<u>\$20,232</u>

LIABILITIES

ACCOUNTS PAYABLE	<u>\$ 2,771</u>	<u>\$ 2,751</u>
------------------	-----------------	-----------------

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized		
10,000 shares without par value		
Issued		
2 shares	2	2
RETAINED EARNINGS	<u>17,452</u>	<u>17,479</u>
	<u>17,454</u>	<u>17,481</u>
	<u>\$20,225</u>	<u>\$20,232</u>

Approved by the Board:

Director

R. E. Singwood

Director

Barbara M. Murdoch

LANGLEY CITY DEVELOPMENT CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
Revenue		
Land Sales	\$ --	\$ --
General and administrative expenses		
Bank charges	7	--
Legal	<u>20</u>	<u>15</u>
	<u>27</u>	<u>15</u>
Loss from operations	27	15
 LOSS FOR THE YEAR	 27	 15
Retained earnings at beginning of year	<u>17,479</u>	<u>17,494</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$17,452</u></u>	<u><u>\$17,479</u></u>

LANGLEY CITY DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1987

	<u>1987</u>	<u>1986</u>
FUNDS APPLIED TO		
Operations	\$ 27	\$ 15
Carrying costs of land held for sale	<u>--</u>	<u>--</u>
INCREASE IN FUNDS DEFICIENCY	27	15
FUNDS DEFICIENCY AT BEGINNING OF YEAR	<u>2,744</u>	<u>2,729</u>
FUNDS DEFICIENCY AT END OF YEAR	<u>\$ 2,771</u>	<u>\$ 2,744</u>
SUMMARY OF FUNDS DEFICIENCY		
Cash	--	7
Deduct		
Accounts payable	<u>2,771</u>	<u>2,751</u>
	<u>\$ 2,771</u>	<u>\$ 2,744</u>

LANGLEY CITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

1. LAND HELD FOR SALE

Land purchased for sale is recorded at cost. Cost includes all funds expended to maintain and develop the property prior to sale in addition to the purchase price of the property. Such maintenance costs include interest, taxes, utilities, legal fees and development costs.

2. INCOME TAXES

The Corporation is not liable for income taxes as it is wholly owned by the Corporation of the City of Langley.